

# Document Imaging Report

Business Trends on Converting Paper Processes to Electronic Format

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## THIS JUST IN!

### MORE TO COME...

Due to the extremely big and late breaking **FileNet/IBM** story, there was a lot of stuff we did interviews on, but couldn't get to in this issue of *DIR*. We apologize for the delay but promise full coverage in our next issue, due out the week of Sept. 8. Thanks for your patience, and we hope you enjoy our coverage of the FileNet acquisition.

One story we have on deck for the next issue involves **Datacap** adding auto-classification technology through a partnership with contextual search specialist **Content Analyst** out of Reston, VA. Content Analyst's technology has its roots in **SAIC** and a history in government intelligence applications. The company is looking to break into the ECM space, and the Datacap partnership is a step in that direction.

Also, there were a couple news stories that moved last month about ECM vendors beefing up their digital rights management (DRM) technology. **Stellent** acquired **SealedMedia**, a software vendor in this area, and **EMC** fully integrated the **Authentica** technology it acquired earlier this year into its Documentum ECM platform. DRM offers users control over content after it leaves their repositories. It appears to be a natural addition to records management technology.

Finally, we promise additional coverage on the FileNet story, as everyone seems to want to comment on it. Who knows, we may even see an additional bid. However, based on a few reasons we'll get into later, possibly on our blog (<http://documentimagingreport.blogspot.com>) that prospect seems doubtful. See you in September. In the meantime, visit our Web site for postings of some of the hottest press releases, as well as continuously updated resources on the document imaging industry. Let us know if you have any materials you'd like us to post.

## The Big Deal

Has ECM reached the next level? From our standpoint, the answer is a definitive, yes. Remember, last issue's article about all the weird stuff going on in the ECM industry? Well, last week's announced \$1.6 billion acquisition of **FileNet** by rival **IBM** is certainly the culmination of all that weirdness. Does that mean the consolidation of the ECM market is complete? Not by a long shot. In fact, we wouldn't be surprised if someone tried to trump IBM's bid, which, when all is said and done, only turns out to be a 1% premium over the \$34.65 that FileNet closed at the evening before the deal was announced.

Now, FileNet's Chairman and CEO Lee Roberts pointed out that when evaluating a premium, it's best to look back to the trailing 30-60 days' stock value. After all, it seemed the cat was certainly out of the bag by the time the acquisition was announced last Thursday morning. And if you go back even a month, to the middle of July, FileNet's stock was trading somewhere around \$27.50. Based on that value, the IBM deal of \$35 per share represents a premium of more than 25%, which is pretty good. However, that was before FileNet released its smokin' second-quarter results on July 26, which were highlighted by a 19% growth in software revenue. That financial report could actually be the impetus that drove FileNet's stock up for the next two weeks from a closing price of \$29.72 on July 26—not rumors of an impending acquisition.

If this is the case, or at least if other potential FileNet suitors view this as the case, you may see them try to swoop in and grab the company with a higher offer. I guess the question comes down to, who can top IBM's \$1.6 billion in cash, and who wants to get into a bidding war with Big Blue?

**Oracle, HP, Veritas, Computer Associates, SAP**—they all could have their reasons. After all, as we said last week, ECM is hot—and the “haves” are currently being separated from the “have-nots.” “There's been an accelerated growth in the market and an accelerated adoption of ECM as a platform—much like the database is a platform,” said Roberts

during a conference call to discuss the deal. And guess what? FileNet doesn't have a database, and IBM does. So the deal makes sense for FileNet.

Look at it this way—size matters, and as big boys like IBM, Oracle, **EMC**, and **Microsoft** line up to take their shots at the ECM market, FileNet certainly didn't want to be left standing on the sidelines. Now, the question becomes, who is going to be next? Who's going to get the call to come up to the big leagues? The most obvious answer is that Oracle will buy **Open Text**. After all, Oracle recently introduced Open Text as a key partner in its ECM strategy. Granted, Oracle content management guru Rich Buccheim did tell us a couple weeks ago that the company was not going to buy anyone and just wanted to form partnerships—similar, I guess, to Microsoft's tack in this market. Buccheim also promised that big partnership announcements were on the way... we'll see.



**"There's been an accelerated growth in the market and an accelerated adoption of ECM as a platform—much like the database is a platform."**

**— Lee Roberts, FileNet**

Based on history, we would have to say that some more ECM M&A is due to come—fairly quickly. If you look at the chart we've compiled detailing most of the major ECM M&A activity since 1999 [see page 3], despite a lot of talk, there has really only been one major period of action—from Aug. 2003 through January 2004. During this six-month stretch, there were five major deals, worth more than \$2 billion. Then, it all stopped for a year-and-a-half. However, last October's EMC acquisition of Captiva seems to have jump started things again. Granted, that deal took place more than eight months prior to the recent Open Text/Hummingbird and IBM/FileNet announcements, but I'm going to say that the IBM/FileNet deal, at least, appears to have been a delayed reaction to the EMC/Captiva deal. And I think that reaction was delayed because, before EMC went and shelled out \$275 million, nobody was completely sold on the value of document imaging to ECM. The Captiva acquisition made everybody finally realize that, hey, maybe this document imaging stuff is serious. So, as a result, you get IBM acquiring FileNet.

At least that is the opinion of Lubor Ptacek, director of content management marketing for EMC. "FileNet is traditionally strong in the imaging and BPM space," Ptacek told *DIR*. "That's an area that EMC has decided to go after aggressively, and our Captiva acquisition was part of that strategy. IBM has been watching us grow and trying to catch up."

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*DIR* is the leading executive report on managing documents for e-business.

Areas we cover include:

1. Document Capture
2. Image Processing
3. Forms Processing/OCR/ICR
4. Enterprise Content Management
5. Records Management
6. Document Output
7. Storage

*DIR* brings you the inside story behind the deals and decisions that affect your business.

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## The Technology Stack

To us, the only hole in Ptask's statement is that we didn't necessarily realize that IBM had shortcomings in BPM and document imaging. We certainly never got this impression from our discussions with IBM's capture partners **Captiva** and **Kofax**. Both have reported solid, and even growing, revenue streams being generated through their integration with IBM's *Content Manager* ECM suite.

To check things out, we contacted long-time ECM and imaging industry analyst Dan Elam of **eVisory** (<http://www.evisory.com>). Elam has worked extensively with most of the major ECM software products and vendors. "There are some pieces of

the IBM product line, especially in the imaging and workflow areas, that are a little dated, but not terribly obsolete," Elam told *DIR*. "FileNet's newer P8 platform will actually integrate better into IBM's SOA architecture than some of the IBM stuff. Of course, IBM's *WebSphere* collaboration and messaging technology is light years ahead of anything FileNet had in that area. IBM also brings some important COLD and statement presentation technology to FileNet's portfolio. If this deal wasn't made, we thought FileNet was going to have to acquire someone in that area."

So, it does sound like the combination of P8 and *Content Manager* has the potential to create some

This is a list of some of the major ECM-related deals since 1999, as covered in the pages of the *Document Imaging Report*. We've bolded deals that we consider part of the two major waves of ECM M&A activity.

Month Announced	Buyer	Seller	Valuation
May-99	Hummingbird	PC Docs	\$271 million
May-99	Lucent	Mosaix (ViewStar)	\$156 million
Jul-99	SER Systems AG	Macrosoft	Undisclosed
Sep-99	IntraNet (Stellent)	InfoAccess	\$14.9 million
Nov-99	CE Computer	TREEV	\$95 million
Sep-00	Eastman Software (eiStream)	Kodak	Undisclosed
Oct-00	Eastman Software (eiStream)	Tyler Technologies (Kofile)	\$14 million
Nov-00	Gauss	Magellan	Undisclosed
Apr-01	Eastman Software (eiStream)	ViewStar	Undisclosed
Feb-02	Legato	OTG	\$403 million
Apr-02	FileNet	eGrail	\$10 million
Oct-02	Documentum	eRoom	\$120 million
Nov-02	IBM	Tarian Software	Undisclosed
Nov-02	Documentum	TrueArc	\$3.6 million
May-03	Optika	Select Technologies	\$1.5 million
<b>Aug-03</b>	<b>Interwoven</b>	<b>iManage</b>	<b>\$168 million</b>
Aug-03	Open Text	Gauss	\$11 million
Aug-03	Allscripts	AIC	\$18 million
Oct-03	eiStream	Keyfile	Undisclosed
<b>Oct-03</b>	<b>EMC</b>	<b>Documentum</b>	<b>\$1.5 billion</b>
<b>Oct-03</b>	<b>Open Text</b>	<b>IXOS</b>	<b>\$200 million</b>
Nov-03	HP	Persist Technology	Undisclosed
<b>Jan-04</b>	<b>Stellent</b>	<b>Optika</b>	<b>\$59 million</b>
<b>Jan-04</b>	<b>Vignette</b>	<b>Tower Technology</b>	<b>\$125 million</b>
Jan-04	IBM	Green Pasture	Undisclosed
Feb-04	eiStream	Identitech	Undisclosed
Apr-04	TIBCO	Staffware	\$217 million
Aug-04	IBM	Venetica	Undisclosed
Sep-04	Veritas	KVS	\$225 million
Sep-04	Interwoven	Software Intelligence	\$2 million
Oct-05	Captaris	IMR	\$26.5 million
Jan-05	Verity	Dralasoft	\$8 million
May-05	Sungard	RRI	Undisclosed
Sep-05	FileNet	Yaletown	\$11 million
<b>Oct-05</b>	<b>EMC</b>	<b>Captiva</b>	<b>\$275 million</b>
<b>Aug-06</b>	<b>Open Text</b>	<b>Hummingbird</b>	<b>\$489 million</b>
<b>Aug-06</b>	<b>IBM</b>	<b>FileNet</b>	<b>\$1.6 billion</b>

sort of best-of-breed ECM application that can better compete against EMC Documentum. In addition, don't forget that FileNet has greatly improved its capture platform in recent years through its own development and an OEM agreement with Kofax. This should help Big Blue better stand up against the Captiva element that EMC brings to the table.

But, was all this worth \$1.6 billion dollars, especially when you consider the amount of overlap in the two companies' product lines? "When we went down the checklist of ECM technology, virtually every bit of technology FileNet brings to the table, IBM already has," said Ptacek. "Historically, we've seen them going after the same accounts in the same markets."

### **The storage element**

When you consider the value of FileNet's blue chip customer base to IBM's overall business, the answer to the value question is probably yes. It's apparent that IBM increasingly views ECM as an infrastructure choice—much like storage and a database are infrastructure choices. And in IBM's world, they want to provide all the infrastructure. This means that, like EMC, they view ECM as an avenue to storage sales. By securing FileNet's customer base, IBM now has the inside track at providing storage, database, and ECM services at several thousand additional sites. If there's some overlap, so be it, it just makes their position in those sites that much stronger.

Elam gave us one specific example of why this deal makes sense from this infrastructure standpoint. "One of the strategies EMC has been using involves targeting FileNet's customer base, the majority of which still uses FileNet optical jukeboxes," said Elam. "EMC is trying to convert these sites to EMC storage. IBM will now have the first chance to get in there with its storage."

You see why this deal is bigger than ECM, as we know it.

### **A new ballgame**

As we said in our opening, the ECM game has changed. Yeah, there is still room for line-of-business/mid-market players, but on the Global 2000 level, this stuff is entering some rarified air. And that air is inhabited by multi-billion players like IBM, Oracle, EMC, and Microsoft.

A couple weeks ago, Open Text thought it was becoming a bully on the block, when it acquired Hummingbird in a deal to create a company with a \$650 million annual run rate. Well, Open Text might want to rethink its strategy, as it has quickly gone from a tier-one to tier-two player in the ECM space,

while in the process of doling out \$489 million for an acquisition that may now be irrelevant.

In addition to Open Text, mid-tier players like **Interwoven**, **Vignette**, and **Stellent** all have some decisions to make. If a \$450 million company like FileNet was feeling the squeeze, then what can these \$200 million players possibly be feeling?

As we mentioned, there are plenty of potential ECM buyers out there, and perhaps one, or several, of these smaller players will be attractive to them. Otherwise, they are going to have to refocus on vertical and/or line of business applications—in other words CM instead of ECM.

### **Good deal for FileNet**

In the end, FileNet's shareholders are the big winners in this deal. It's no secret FileNet has been up for sale for a few years now. This \$1.6 billion in cash is probably the best offer FileNet could have hoped for. From what I understand, FileNet has turned down several deals that were not to its liking. From IBM, it appears FileNet finally got an offer in-line with its famously high expectations. And based on FileNet's stock closing last Thursday at more than \$1 per share higher than the \$35 per share IBM was bidding, there are those that think the final acquisition price could rise even higher if a second bidder comes into play.

As we said two weeks ago, the ECM space is in transition. Stay tuned for more consolidation, acquisition, and shakeout—quite possibly coming to a vendor near you!

## **BancTec Righting Its Ship**

For almost 10 years, Dallas-based capture specialist **BancTec** has watched its annual revenue decline. However, during the last three quarters, there are signs that trend is reversing. After two quarters of 1-2% growth, the fourth quarter of last year and the first quarter of 2006, BancTec's senior VP of Technology and Portfolio Management Mark Fairchild indicated that the second quarter of 2006 was also solid, with results due out later this month.

BancTec's turnaround can be attributed to growth in three areas: 1) expansion into the business processing outsourcing (BPO) space, 2) continued expansion into full-page document imaging, 3) introduction of a mobile data capture service. Executives previewed BancTec's work in these areas during interviews last year. What follows is an update on BancTec's progress.



### **BPO: full-steam ahead**

BancTec's expansion into BPO hit full stride last month with the announcement of a menu of three imaging-centric BPO offerings. These new offerings were introduced approximately six months after a deal with **EDS** gave BancTec a significant North American BPO customer base. BancTec's plan is to initially market its new offerings to that EDS customer base.

A deal between BancTec and EDS should not be all that surprising, as EDS is a long-time BancTec technology customer and both companies are based in Dallas. Also, BancTec CEO J. Coley Clark and several of his assistants are former EDS executives [see *DIR* 3/18/05]. The deal basically involved BancTec taking over three EDS BPO centers that were focused on remittance processing.

Remittance processing is, of course, a core competency of BancTec but not necessarily of EDS. "When I last spoke with *DIR*, BancTec had spent a couple months looking at our strategy and decided that BPO was going to be a key part of our future," Fairchild told *DIR*. "The next step was figuring out how to best enter the BPO space. We already had a number of BPO centers in Europe, and to get into the American market, we reached an agreement with EDS. We basically took on their remittance processing centers and the clients they had."

To make the deal work, according to Fairchild, BancTec must run the BPO operations more efficiently than EDS was able to. "Being able to use our own hardware and software, as well as maintenance services, should make us more cost effective right off the bat," said Fairchild. "In addition, we plan to take advantage of agreements with Indian data entry services. Finally, we are looking forward to offering additional imaging services to these customers."

BancTec's new BPO packages include basic storage and retrieval, advanced data capture for applications like invoice processing and legal discovery, and auditing and security options. They are being sold on a tiered basis, with each level of functionality representing a different tier. As has been the case historically, BancTec continues to rely on a mix of its own software and technology licensed from other vendors. It currently has partnerships with the likes of **Convera**, **SWT**, **A2iA**, **Mitek**, and **ABBY**.

By our best guess, BancTec already has an annual run-rate of at least \$5 million in BPO revenue in North America, plus a significant amount in Europe—where BancTec has been an established BPO player for some time. Overall, BancTec has four

BPO centers in North America and seven in Europe. Fairchild estimated BancTec's BPO customer list is approaching 100.

"Our outsourcing business has evolved from an aspiration to a reality," Fairchild, told *DIR*. "In addition to adding EDS' customers, we've also brought onboard several key executives from EDS' operations. This has given us some strength and experience in managing BPO."

### **Why BPO? Why not?**

Ultimately, BancTec's expansion into BPO is being driven by forces similar to those that have driven Manchester, CT-based BancTec competitor **Scan-Optics** in the same direction. Like BancTec, Scan-Optics has hired a former BPO specialist as CEO [see *DIR* 6/16/06].

"As electronic payments replace paper ones, the volume at many of our customers' remittance processing sites is being reduced," said Fairchild. "This makes it difficult for them to cost-justify in-house scanning operations. There are some cost variables related to staff size that can be reduced. However, there are a lot of fixed costs that can't be reduced enough to achieve cost-per-transaction levels lower than what a BPO provider can offer. A BPO provider creates higher volumes by aggregating several customers in one operation, and therefore can keep its costs-per-transaction down."

"Also, because BancTec develops its own hardware and software, we have access to all the latest and greatest technology in areas like image quality, OCR/ICR, automated sorting, and ARC conversion. In-house operations, with declining volumes, just can't justify an investment in new technology."

Fairchild notes that BancTec launched its BPO business in Europe a few years back, based on the same trends toward electronic payments that the North American market is currently experiencing. "Scandinavia, for example, had totally truncated its paper payments by 1991," said Fairchild. "That was well before anyone even heard of the Web, so it was pretty revolutionary. The U.K. began to follow suit five or six years later. As a result, to create new revenue streams in those markets, we moved more aggressively into BPO and full-size document processing. We are now following a similar path in the U.S." [ *Editor's note: For the first quarter of 2006, BancTec reported \$31.5 million in systems and services sales in the Americas and \$26.6 million in EMEA.* ]

### **Mixed mailroom results**

In regards to full-sized document processing, Fairchild said sales of the company's DocuScan high-speed document scanner are going well. The

device was introduced at AIIM 2004 [see *DIR* 3/24/06] and began shipping later that year. It has been upgraded a couple times since its initial release, and last year BancTec introduced a lower-cost DocuScan 6000. According to Fairchild, BancTec has installed more than 100 DocuScan units to date.

"Service bureaus have been a major market, as well as wholesale remittance processing shops, and even several in-house operations with high volumes of mixed documents," said Fairchild. "Our success has been spread worldwide. One of our largest installations is with the **Danish Post**, which started with three or four DocuScans and has added from there."

The national postal service of Denmark offers to image all of an organization's incoming mail for it, extract the appropriate data through key entry and OCR, and make it digitally available to the addressees by 9 a.m. the following morning. The Danish Post relies primarily on BancTec hardware and software. "The Danish Post's installation has gone very well and continues to grow," said Fairchild. "We are in discussions with a number of other postal services, but none have decided to move forward with the digital mailroom yet."

In many ways, the Danish Post installation is a poster child for the digital mailroom—a type of document capture application that was a red hot topic a couple years back [see *DIR* 4/9/04], but whose star seems to be fading. "Overall, the concept of the digital mailroom has been a mixed success," acknowledged Fairchild. "What we've mainly seen is people implementing a subset of the full breadth of digital mailroom technologies. They are using it for a scope narrower than its full potential. That potential is digitizing everything that comes into the mailroom."

### Going mobile

BancTec's mobile data capture initiative is known as *eFIRST Mobile* and was first previewed for us by Fairchild at AIIM 2005 [see *DIR* 7/1/05]. It's no coincidence that it carries the same branding as BancTec's paper capture solution, as it is designed to leverage mobile computers in place of paper forms

to capture information at remote sites

BancTec's early success with *eFIRST Mobile* has come with two of the world's largest credit card issuers that have initially implemented it in the U.K. One already has plans for a broader rollout. These companies leverage *eFIRST Mobile* when signing up new customers at places like airports, malls, college campuses, and sporting events. "We've also made

some inroads in the housing management market, where inspection data needs to be collected on-site," said Fairchild.

Other markets that BancTec has targeted include mortgage

origination, insurance

underwriting and adjustment, automotive financing, loan applications, and utility account opening and inspection. Advantages over paper forms include real-time feedback on the validity of data being captured, real-time processing of the forms, and improved security over paper transactions. BancTec currently makes *eFIRST Mobile* available as a hosted service.

"Since we first introduced *eFIRST Mobile*, based on customer feedback, we've upgraded the system in a couple areas," said Fairchild. "The first included improving our security and encryption. We've also introduced better centralized management controls; being able to get real-time feedback on the activity associated with each device can be just as valuable as the mobile data capture aspect."

We mentioned to Fairchild that we've read the **U.S. Census Bureau** is planning to implement mobile data collection devices in its door-to-door activity for 2010 U.S. Census. We thought *eFIRST Mobile* seemed like a potentially good fit. This is, of course, assuming the Census Bureau gets its requested funding, which as of last month seemed to be in doubt. "I really can't say anything about that particular opportunity," said Fairchild. "I think it would be a good fit, based on its similarities to the housing inspection applications we have discussed. And, **Lockheed Martin** [the prime contractor for the *Decennial Response Integration Systems (DRIS)*, see *DIR* 10/21/05], is a longtime customer of ours."

### What's the future hold?

We know it may sound like a broken record, as we've speculated on this before, but on the top line,



**"Overall, the concept of the digital mailroom has been a mixed success. What we've mainly seen is people implementing a subset of the full breadth of digital mailroom technologies."**

**— Mark Fairchild, BancTec**

at least, it appears BancTec has finally reversed its fortunes. Of course, through March, the company still appeared to be losing significant money. Then again, things like the BPO and mobile initiatives are fairly new, which makes it logical that they should show growth before profits.

There is no question that BancTec has a lot of things going for it, including a significant blue-chip customer base, some solid technology, strong partnerships, and new management that seems gung ho about turning things around. However, a lot of these elements have been in place for awhile, and it was more than seven years ago that BancTec first went private with the hope of turning things around and re-launching the company as a public entity. Obviously, that hasn't happened—yet.

In the long run, however, we think it will. Developments like Check 21 and ARC conversion have forced BancTec into a corner and forced it to move far enough away from its legacy, hardware-centric business that it can focus on potential growth markets like BPO, document imaging, and mobile capture. In other words, BancTec's eggs finally appear to be in the right baskets. It also appears these eggs are starting to hatch.

Can BancTec generate enough growth and profitability to go public again on its own? That prospect is doubtful. However, with companies like **SourceCorp** and **Lason** now private and also likely looking to potentially reinvent themselves, the M&A prospects begin to get intriguing. In addition, BPO players in other markets might look to **ACS'** lead and decide that imaging-based services should play a key role in their businesses. The bottom line is that if BancTec can continue to improve its top line, while getting its bottom line in order, the company has enough going for it that its future should be bright.

For more information: <http://www.banctec.com>

## A2iA Encourages Adoption Of IWR For Forms

French recognition specialist **A2iA** continues to push the envelope in the market for automated data capture. At AIIM 2006, the company announced a new pricing model for its *FieldReader* toolkit, designed specifically to encourage adoption of its innovative intelligent word recognition (IWR) technology. A2iA is targeting IWR at forms where traditional OCR and ICR technology fall down.

"IWR is the next step in recognition technology," explained Courtney Rand, A2iA's North American director of business development. "We've gone from

OCR, which reads machine printed characters, to ICR, which can read hand-printed characters. However, for ICR technology to work, printing typically needs to be constrained to boxes, which is not the way people want to write.

"Comparing handprint recognition to voice recognition technology, ICR reminds me of the days when you H-A-D-T-O-S-P-E-A-K-V-E-R-Y-S-L-O-W-L-Y for voice recognition to work. We've moved past that phase to recognition of more natural speaking patterns. IWR is designed to recognize people's natural handwriting patterns."

IWR works by breaking down lines of writing into single words or elements. It does not go down to the character level, like OCR and ICR, and try to build words from there. Rather, it takes the elements it has determined and compares them against a list of potential matches. "The key to making an IWR system successful is limiting the vocabulary you are comparing the results against," said Rand. "For example, if you are applying it to a field that contains automobile makes, such as you might find on a parking ticket, you only compare your results against a list of all known makes of automobiles."

A2iA is not advertising IWR as more accurate than OCR and ICR technology in controlled environments. "We are not marketing it against established OCR and ICR applications," stressed Rand. "However, there are some forms on which OCR and ICR do not work. These might include parking tickets, certain types of application forms, subscription forms, etc. We are marketing IWR as an option in situations where the only other alternative is manual data entry. And, we are saying that using IWR is less expensive than paying someone to key enter data."

How much less expensive is hard to say, according to Rand, because of variables such as volume and required confidence levels. A fairly extensive white paper on the topic of IWR, authored by recognition software guru Art Gingrande of **IMERGE Consulting**, seems to suggest the use of IWR is approximately two-thirds the cost of human data entry. (A complete copy of the paper is available through the A2iA Web site at <http://www.a2ia.com>.)

To encourage people to try out IWR, A2iA is offering to charge customers a fixed rate for each field that *FieldReader* successfully processes. "In certain operations, in which the volume is large enough, even if we automatically process only 20% of a user's fields, that might provide a significant enough savings to make the use of IWR worthwhile," said Rand. "In other operations, we might process 80% successfully. The bottom line is



that we don't get paid unless our software is successful. There is no set up or maintenance fees. We are motivated to tweak and improve the application because, as we process more fields successfully, our fees go up. At the same time, the users' overall costs should be going down."

A2iA has written integration for *FieldReader* with capture products from leading vendors like **ReadSoft, Captiva, Kofax, Cardiff, BancTec, Brainware**, and **VisionShape**. "We expect service bureaus will be the first market to jump on this offer," Rand said. "We are also looking for other partners, such as resellers and ISVs. The bottom line is that we think this type of technology can help the whole imaging industry."

"Most images for key entry are being sent overseas. And in those situations, image quality is not really a big concern. But, if we can get businesses to start thinking about using IWR as an alternative to key entry, they are also going to have to think about ways to improve image quality to increase accuracy. This means there will be more opportunities for sales of higher quality scanners and image processing technology."

For more information:

[http://www.a2ia.com/Web\\_Bao/A2iA082FieldReader-Eng.aspx](http://www.a2ia.com/Web_Bao/A2iA082FieldReader-Eng.aspx)

## Scan Station Bundled With Legal Software

As part of **Tech Data's** move toward selling bundled document imaging solutions, it was

recently announced that the Clearwater, FL-based distributor is offering the **Kodak** Scan Station in a package with **DocuLex' Archive Studio** software application. The Scan Station is a networked scanning device introduced earlier this year by Kodak [see *DIR* 3/17/06]. DocuLex focuses on the legal market and is one of three software vendors Tech Data announced partnerships with in February [see *DIR* 3/3/06].

According to Kevin Keener, Kodak's director of marketing, US&C, for document imaging, there was no special integration done between the Scan Station and *Archive Studio*. "The package does illustrate the first of many vertical applications the Scan Station is capable of," said Keener. "And, DocuLex is offering a discount if *Archive Studio* is purchased in conjunction with a Scan Station."

When asked about additional Scan Station software bundles, Keener commented, "There are nearly 20 ISVs working to integrate packages with the Scan Station 100, including companies like **Hyland, NSi** [Notable Solutions] and **FileNet**. Integrations in the works cover a host of horizontal applications, but also target specific vertical markets, such as transportation and on-line transaction processing. Based on the positive response thus far, we anticipate that additional ISVs will enter the mix during the next few months."

For more information:

[http://www.kodak.com/US/en/dpq/site/TKX/name/scanStation100\\_product](http://www.kodak.com/US/en/dpq/site/TKX/name/scanStation100_product)

<http://www.techdata.com>

<http://www.doculex.com>

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